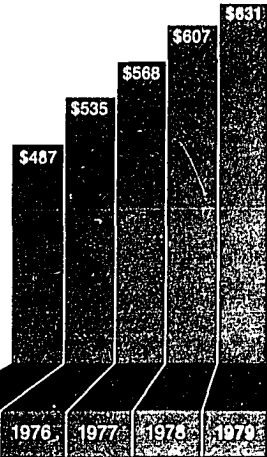




1979 Annual Report

America's leading maker
and retailer
of quality apparel.



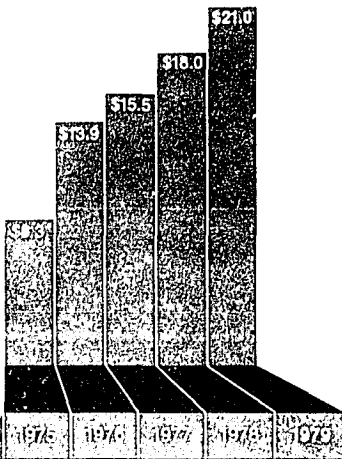


1979 Annual Report

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Net Earnings
in millions of dollars

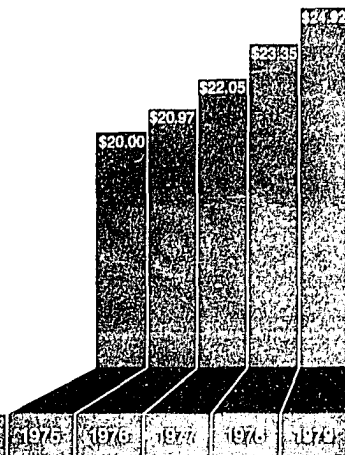


Highlights
Hart Schaffner & Marx and Subsidiary Companies

Years ended November 30	Increase	1979	1978	
Operating Results	+ 4%	\$630,751,000	\$606,610,000	Net Sales
	+17%	21,015,000	18,005,000	Net Earnings
Shareholder Financial Data	+17%	2.45	2.09	Earnings per share
	+10%	.88	.80	Cash dividends per common share
	+ 7%	213,024,000	199,951,000	Shareholders' equity
	+ 7%	24.92	23.35	Equity per share
		8,577,000	8,601,000	Average number of common shares and common share equivalents
		9,000	8,900	Number of shareholders

Hart Schaffner & Marx achieved record sales and earnings in fiscal 1979. Sales, earnings and dividends have improved each year since 1975. Sales and earnings in both the retailing and manufacturing divisions were records in both 1979 and 1978.

Earnings increased 17 percent in 1979 to \$21,015,000 or \$2.45 per share from \$18,005,000 or \$2.09 per share for 1978. Sales increased 4 percent to \$630,751,000 from \$606,610,000. Dividends paid in 1979 were increased 10 percent to 88 cents per share from 80 cents in 1978. At the January 15, 1980 meeting, your directors authorized purchases on the market aggregating 100,000 of the Company's common shares.



Our return on shareholders' equity improved to 10.2 percent as \$2.45 per share was earned on an average book value of \$24 per share in 1979. This return, on higher equity, has more than doubled from 1975. Our goal is 12 percent by 1982. Higher returns resulted from increased net earnings of 3.3 percent of sales in 1979, 3.0 in 1978 and 2.7 in 1977, and from better inventory turnover. Interest expense, net of interest income, decreased \$1,648,000 in 1979, largely because inventory was not increased in 1979 despite inflation, higher sales and an acquisition. A lower 1979 federal income tax rate accounts for 1 percent of the improved return on sales.

Sales in our retail stores increased to a record \$393 million in 1979 from \$375.4 million in 1978. The division operates 274 stores in 66 metropolitan areas. The role of apparel specialty stores continues to be enhanced. Two major factors have been the development of regional shopping centers and consumer demand for expert help and service in buying quality apparel. We continue to open locations in major shopping centers. Two hundred of our stores are in regional centers and the remainder are in downtown or suburban areas.

Seven stores were opened in 1979 and 12 to 15 are planned for 1980. Over the next three years, a substantial portion of the \$25 million planned for fixed assets in our Retail Stores Division will be invested in remodeling existing stores. It is important that the

stores present both a quality image and a contemporary appearance. Two important advantages of our stores are large stocks of desirable merchandise available throughout the season and well-trained sales and alteration people who provide the customer with fashionable, well-fitted quality clothing. Our stores are adding moderately priced apparel to attract younger customers.

The Company's manufacturing divisions shipped \$298 million in 1979 compared to \$286 million in 1978. Goods shipped to Company-owned stores increased to approximately \$60 million in 1979 from \$55 million in 1978. These shipments, excluded from consolidated sales, represent two-thirds of the tailored clothing sold by our stores and an important 20 percent of our manufacturing production.

Our manufacturing divisions sold \$238 million in 1979, or 80 percent of their production, to independent customers. Our long relationship with thousands of fine department and specialty stores featuring our products continues to demonstrate their confidence in our Company. Hart Schaffner & Marx offers quality apparel with the most important brand and designer names and the benefit of over 50 years of successful experience in operating stores. We help the retailer sell our merchandise with the most extensive supporting materials in the industry, including such aids as national advertising, local ad plans

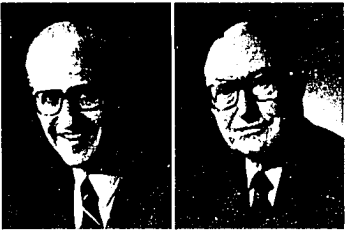
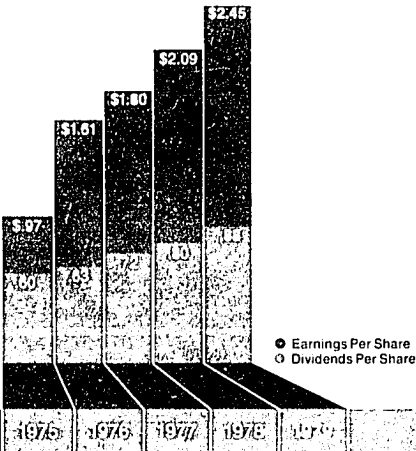
and kits, TV and radio commercials, dealer aids and sales training programs.

Sales of Robert's, the leading quality apparel manufacturer and retailer in Mexico, have been excluded since May, 1978 when our ownership was reduced to 49 from 77 percent. This reduction was offset by Robert's earnings growth. Our Company's 1979 share of its net earnings was \$1,017,000, approximately the same as our 1978 share which was accounted for as \$319,000 equity and \$700,000 in consolidated operating figures. Robert's opened two stores in 1979 and will have 20 stores after opening four more planned for 1980.

The Company's manufacturing and retail trademarks and technology are being licensed worldwide. Licensing income should exceed \$1.5 million in 1980 compared to \$1.2 million in 1979. Programs are in operation in North and South America, Europe, and the Far East. Premier licensees include Marubeni Corporation, Asahi Chemical Industry Co., Ltd. and their sublicensees in Japan, and Samsung in Korea.

Donald P. Jacobs, dean of Northwestern University's J. L. Kellogg Graduate School of Management, and Richard P. Hamilton, executive vice president of the Company, have joined the board of directors. Since 1957, Dean Jacobs has been associated with the Graduate School of Management and it has become one of the outstanding business schools in the country. He will bring new perspectives

Earnings and Dividends Per Share



to our board. Mr. Hamilton has brought new direction, creativity and enthusiasm to the Retail Stores Division since he joined us as its chairman in 1978.

We regret that Charles L. Brown, chairman of American Telephone and Telegraph Company and a member of our board since 1972, has stated that his responsibilities necessitate that he not be re-elected. Mr. Brown made a significant contribution to our deliberations and was chairman of three of the board's committees at various times. His friendly counsel will be missed. Charles Marshall, president of Illinois Bell Telephone Company, is slated for election to our board. This outstanding businessman has been associated with the Bell System since 1953 and we are pleased to nominate him as a director.

For our stores and manufacturing divisions, men from 35 to 55 years of age represent our most important segment of the men's apparel market. This group will grow by 6.6 million or 28 percent in the Eighties compared to only 4 percent in the Seventies. This growth will be an important stimulus to our sales in the new decade. In addition, we are strengthening our appeal to the fast-growing customer segment between 25 and 35, with exciting products at prices these younger men will recognize as good values. Our Women's stores and departments now cater to women in both these age groups.

We are proud of the outstanding group of executives managing your Company. Our operation is widely dispersed in retailing and manufacturing and the strength of our top management group of approximately 100 executives determines the future success of the Company. Several important management changes were made during the past year. In the Hart Schaffner & Marx Clothes Division, our largest and most successful manufacturing division, William H. Mier, formerly president, was elected chairman and chief executive officer, and E. O. (Bert) Hand was elected president. Larry Levy was promoted from president of our Field Bros. stores to president of Wallach's in New York, the Company's largest men's store group. William H. Harrington, formerly president of our Hanny stores in Phoenix, was promoted to president of Baskin in Chicago, our second largest group of men's stores.

A significant acquisition was made in September, 1979. The assets, business and name of Intercontinental Apparel, Inc., the U.S. licensee for Pierre Cardin men's tailored clothing, were purchased. Monsieur Cardin's reputation as a designer is known throughout the world. While not materially affecting 1979 results, Intercontinental's sales in fiscal 1980 will be approximately \$25 million and it will make a meaningful profit contribution. We hope to make additional acquisitions, governmental consent to acquire men's stores is no longer required after June 1, 1980.

Our retail store sales for December and January, the first two months of our 1980 fiscal year, increased eight percent. This is better than originally anticipated and should result in record consolidated sales and earnings for the first quarter. With this excellent start, favorable indications for fall advance orders for our manufacturing divisions and our expense control program, we are confident, assuming that there is no major downturn in the economy, that 1980 will be another good year for your Company.

Our directors join us in expressing our appreciation to our more than 20,000 employees for their efforts and dedication in helping the Company to achieve the best year in its history.

Very truly yours,

John D. Gray
John D. Gray
Chairman

Jerome S. Gore
Jerome S. Gore
President and Chief Executive Officer

February 20, 1980

Manufacturing Division

The Company, the most important resource for many apparel retailers, has a marketing strategy based on supplying quality apparel covering a wide range of prices and fashions. Our manufacturing divisions, with 26 plants in 10 states, produce the broadest selection of fine clothing in the men's apparel industry. We greatly value our relationship with the many retailers we serve and we strive to become more important to them by providing the best merchandise to fulfill the requirements of their customers.

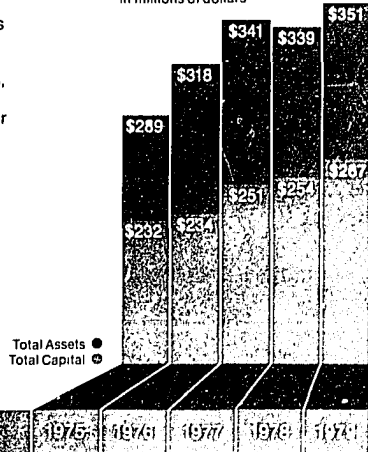
The Company is able to offer diversified apparel fashions and prices through a prestigious array of brands, personalities and designers. These are very effective in appealing to different apparel markets and we enhance the saleability of our products by using a distinctive approach directed toward each market. This has proved to be successful for our manufacturing divisions, for which brands, management and price ranges are shown on pages 24 and 25.

The Company, in addition to its apparel brands, also produces clothing by some of its manufacturing divisions such as M. Wile and Whiteville Apparel which is sold with only the retail store label. Career apparel is sold under several brands and sales now exceed \$15 million annually. Fashionaire supplies major airlines, car rental agencies, banks and others. Thorngate Uniforms, which acquired SACO Uniforms on October 31, 1979, makes uniforms for military academies, schools, airlines and service organizations.

The Company achieved record sales and earnings in manufacturing for both 1979 and 1978.

Corporate Data

Total Assets and Total Capital in millions of dollars



Manufacturing Brands



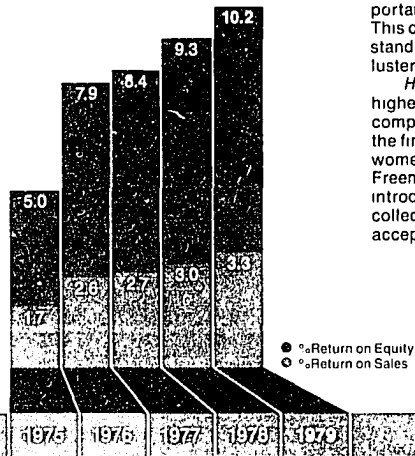
Hart
Schaffner
& Marx

Hickey-Freeman

JAYMAR



%Return on Equity and Sales



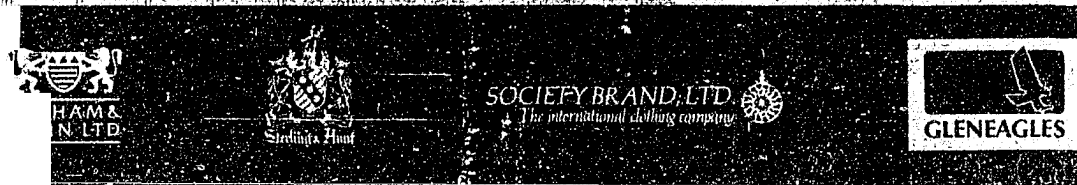
Hart Schaffner & Marx, the best-known brand in men's tailored clothing, was established in 1887. It has become the most important label for men's quality clothing. This complete line of tailored clothing stands for quality and fashion and adds luster to the name of the Company.

Hickey-Freeman, hand-tailored to the highest standards, is the most prestigious, complete line of men's clothing available in the finest stores. A classic collection of women's clothing tailored in the Hickey-Freeman tradition of high quality was introduced for fall, 1979 and this first collection has met with enthusiastic acceptance.

Jaymar-Ruby, with the largest selection and sales of quality slacks in the U.S., is represented in thousands of stores nationwide. Jaymar-Ruby is noted for its famous Sansabelt slacks and it also markets an internationally styled line of sportswear under Nino Cerruti Sport.

Graham & Gunn, Ltd., Society Brand, Ltd. and **Sterling & Hunt** are high-quality lines of men's clothing tailored by the Hart Schaffner & Marx Clothes Division. Graham & Gunn, Ltd. emphasizes natural shoulder styling for select retail stores. Society Brand, Ltd. offers international, high-fashion concepts in exclusive fabrics for customers seeking a unique look.

Gleneagles, maker of fine rainwear, jackets and sportswear with the Gleneagles, Christian Dior and Jack Nicklaus labels, was placed under the management of the Hart Schaffner & Marx Clothes Division in 1979. A line of raincoats will be introduced for fall, 1980 with the Hart Schaffner & Marx label.



Christian Dior, the most prestigious name in the world of fashion, designed its premier line of men's clothing for Hart Schaffner & Marx six years ago. Success was immediate and sales continue to grow. *Dior Sport*, which includes leisure and sports wear, was introduced. For 1980, *Dior Monsieur*, a line of suits, sport coats and slacks, is being marketed at moderate prices to appeal to the younger man. All our *Christian Dior* merchandise, including outercoats and rainwear, is now produced under the direction of the Hart Schaffner & Marx Clothes Division. *Christian Dior* designs and styling influence are important in our marketing strategies, particularly in serving the fashion oriented quality minded customer.

Nino Cerruti, one of Europe's outstanding apparel designers, designs fabrics produced by his mill in Italy, and his Paris boutique, *Cerruti 1881*, is also a source of innovation. His designs for *Nino Cerruti Rue Royale* suits and sport coats are tailored by our M. Wile division, and *Jaymar-Ruby* markets his sportswear designs under the *Nino Cerruti Sport* label.

Chester Barrie, renowned throughout Britain for clothing in the Great British tradition, has been licensed from its owner, *Austin Reed Group Limited*. *Chester Barrie* is being introduced for fall, 1980 with a collection of the finest fabrics in unique models crafted by *Hickey-Freeman*.

Designer Brands

Christian Dior

NINO CERRUTI

Chester Barrie
LONDON, W.1



Pierre Cardin, internationally famous, designs the clothing marketed by Intercontinental Apparel, Inc. Cardin's close-to-the-body "Delta" profile with broad shoulders and tapered lines is expected to be the definitive look of the 80's for the younger customer.

Although a long-established name in the U.S., Pierre Cardin clothes will enjoy additional exposure by being nationally advertised for the first time with the launching of the fall, 1980 collection.

Ruby Ltd., featuring a new technique in coat construction, was introduced this past year by Jaymar-Ruby. A refinement of a patented Swiss manufacturing procedure, the construction produces a coat 12 to 27 percent lighter than others of the same fabric. The line has met with phenomenal response and has now been expanded to include suits.

Cesarani, acclaimed among young American designers, is a two-time Coty Award winner. Sal Cesarani has created a new tailored clothing and related sportswear collection to be marketed by Jaymar-Ruby. A strong promotional program will introduce the Cesarani label for fall, 1980. Cesarani clothes are classic natural shoulder styles with color and fabric innovations that give the collection a traditional but updated look.

Allyn St. George, The American Classic Designer label, has enjoyed nationwide acceptance since its introduction last year by M. Wile. Various licensee programs will add to this design concept and a national advertising program in 1980 will promote this brand.

pierre cardin



CESARANI

ALLYN ST. GEORGE



Jack Nicklaus, the greatest golfer of all time, brought his personality first to the blazers and slacks that bear his name and then to the suits, sport coats, raincoats and jackets under the Jack Nicklaus brand which grows in popularity year after year.

Hart Schaffner & Marx sponsored the CBS network radio coverage of the 1979 Masters Tournament with Jack Nicklaus as host and will do so again in 1980. "Go for the Green" Sweepstakes will promote Jack Nicklaus clothing in stores throughout the nation.

Austin Reed of Regent Street, British-inspired clothing tailored in the U.S., has passed the \$20 million sales mark in 1979. Styled for the younger man, the line includes suits, blazers, sport coats, slacks and outercoats.

Our Company holds a license for this brand name from Austin Reed Group Limited, a very successful British apparel manufacturer and retailer. The stock of this British company is traded on the London exchange and Hart Schaffner & Marx owns 15 percent of its voting shares. The British management has been very cooperative in the styling, advertising and promotion of Austin Reed of Regent Street and the arrangement has proven to be advantageous to both companies.

Walter-Morton Clothes, an established brand of exceptional quality, is preferred among the finest men's apparel stores. Customers regard this clothing tailored by Hickey-Freeman Co., Inc. as a long-term style investment.

Personality and Manufacturing Brands

Jack Nicklaus

AUSTIN REED
OF REGENT STREET

WALTER MORTON
CLOTHES



Playboy Apparel for Men, introduced to retailers for spring 1980, carries the instantly recognized Playboy insignia. This line, for the fashion-conscious young man, is the Company's entry into the popularly-priced market.

This product represents an unusual opportunity for retailers to use the Playboy emblem to sell branded clothing within a price range representing a special value to customers. This was accomplished by completely engineering a plant with the most modern equipment to achieve maximum efficiency.

Sansabell slacks by Jaymar-Ruby enjoy a prestigious reputation for the remarkable combination of style and practicality. The patented triple-stretch waistband provides a trim appearance. Sansabell is also a feature of the trousers of Ruby Ltd. suits.

Cary Middlecott Sportswear, a colorful collection of coordinated slacks, sport-shirts, classic blazers and Safari Suits, is styled by Jaymar-Ruby for active sports and leisure living.

Johnny Carson Apparel, launched 10 years ago, became a great highlight of the Seventies in our industry. Johnny Carson, number one in television, brings his popular personality to the styling of this apparel carried by thousands of department and specialty stores throughout the country.



Retail Stores Division

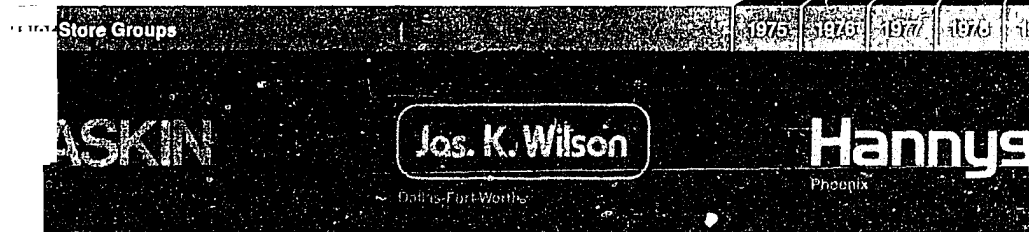
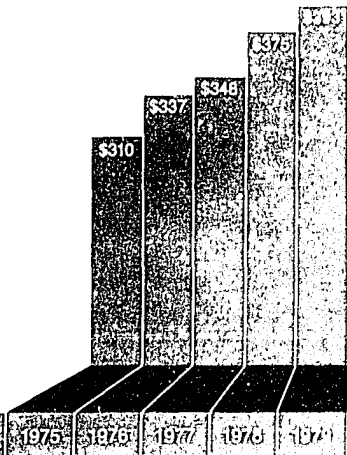
The 274 men's and women's specialty stores operated by the Retail Stores Division generated record sales in 1979. Earnings again set a new high for the Division.

A major thrust of the Division has been to broaden its customer base by appealing to younger, fashion-conscious and value-oriented customers, as well as to solidify our position with the quality-oriented upper and middle income segment of the population. This direction was given strong impetus by putting greater merchandising emphasis on opening price points and introducing new clothing and sportswear directions.

Major steps were taken to improve the presentation of our stores to their potential customers. A record number of older, profitable stores were completely remodeled. Major reconstruction projects were completed in the Chicago flagship stores of Baskin and Capper & Capper. Other important rebuilding projects were completed in Dallas, Los Angeles, New York and Atlanta. While the updating of the majority of these stores has been complete for a relatively

Retail Store Sales

(in millions of dollars)

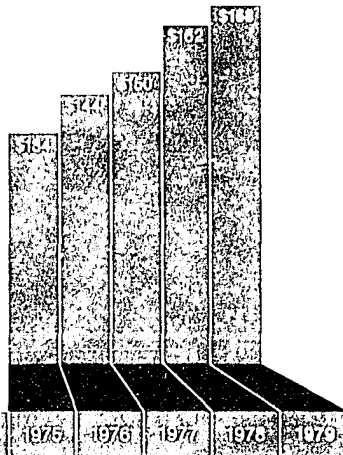


In 1979, Atlanta's quality women's specialty store, J.P. Allen, opened its sixth store, this latest one in the Perimeter Mall.



An integral design element of all our new retail stores is this open front concept at the Klopstein Alderwood Mall location in Seattle.

Sales Per Sq. Ft. Selling Space



short time, we are greatly encouraged by the positive results and plan a major program of remodeling estimated at \$4 million in 1980

The exclusive design and import strategies of our Men's Market Merchandising buying group enable our stores to make strong sportswear and furnishings fashion statements with emphasis on value. Purchases by our stores through this organization set new records in 1979

The Division now operates 274 stores, the same as a year ago. New store opportunities this year were limited and only seven were opened. All of these stores were built in a contemporary, compact, open design, utilizing smaller spaces of about 6,000 square feet thus enabling us to increase sales per square foot. As part of a program of evaluating the current and potential performance of each store, seven marginal units were closed. In our continuing efforts to improve productivity, actions have been taken to reduce excess space. A large increase in new store construction is planned for 1980, with 12 new units already under way or committed for, and several others in the negotiating stage.

CHAS. A. STEVENS

Chicago

silverwoods

Los Angeles

wallachs

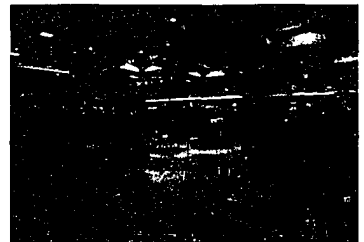
N.Y., New England, N.J., Miami



A prestigious new image is projected by Copper & Copper's completely rebuilt store in downtown Chicago



Interior design excitement has helped improve sales per square foot in a record number of re-modeled units

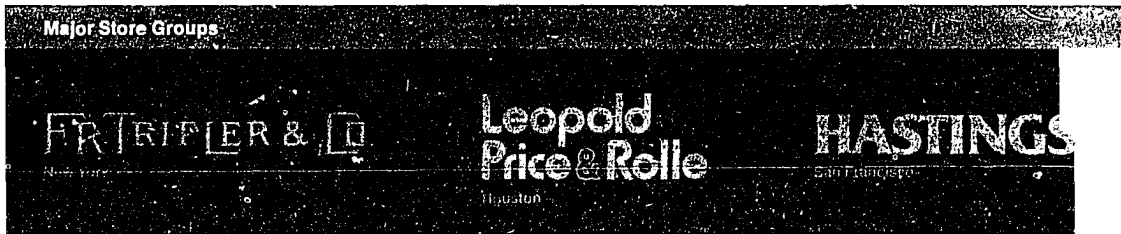


The Division continues its plan to expand in our women's apparel retailing. Sales in this category, including leased departments, were almost \$110 million in 1979. Our women's specialty store operation, Chas A Stevens, J.P. Allen, and deJong's, expanded from 27 to 29 stores. An experimental entry into a small-space, carefully edited updated misses and sophisticated junior apparel store operation was launched by Chas. A Stevens. Named

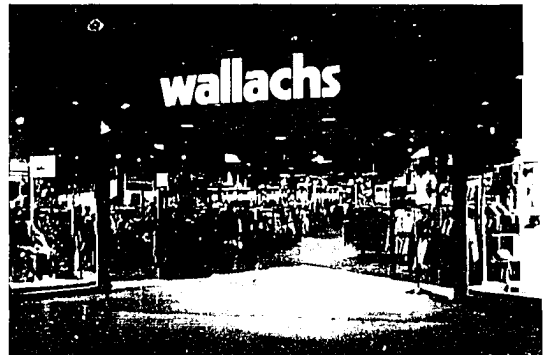
Chas, the first 2,500 square foot store was opened in Water Tower Place, Chicago in early 1979 and its performance has been outstanding. Several more Chas units are planned in the Chicago metropolitan area.

Sales are increasing in the women's departments in our 245 men's stores with 141 now featuring women's apparel. To accelerate this increase we augmented our Women's Market Merchandising staff which acts as our buying agent.

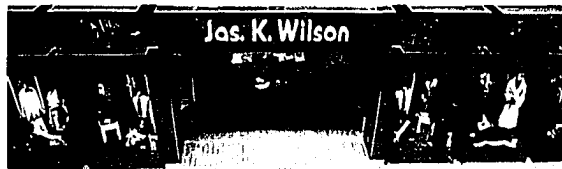
The Division's operating structure is a careful blend of local and centralized management. We enjoy the advantages of an efficient chain operation, with such activities as centralized store design, merchandising, leasing and advertising services, while maintaining the attitude and strength of local community operations. To strengthen the overall organization, a Regional Manager system was put into effect in 1979 through which management and



Chas, the experimental small-space women's and junior apparel store in Water Tower Place, Chicago



An exciting expression of new store design ideas as projected by Wallachs remodeled Roosevelt Field store in New York



Jas. K. Wilson's new Prestonwood Mall store in Dallas, features a new exterior design that shows quality merchandise to best advantage

support personnel will respond more quickly and effectively to local store needs

Each store group has local management responsible for the store's operations. This management is expected to offer the best merchandise selection for the market served and to maintain high standards of service to the store's customers.

With excellent locations, fashion-right products, and well-qualified salespeople, along with proper management discipline and controls, and the continuing development of modern systems, our retail stores are well poised to contribute significantly to improving sales and earnings in the Eighties.



Merritt Schaefer & Brown's new suburban Austin store at Highland Mall, one of several new units opened in Texas, is the winner of a design award



Silverwoods, with 19 stores is our largest West Coast operation. During the year they remodeled in the Dal Amo Shopping Center in suburban Los Angeles

The major remodeling project in 1979, Baskin's flagship store on Chicago's famous State Street Mall



**Consolidated Statements of Earnings
and Shareholders' Equity**
Hart Schaffner & Marx and Subsidiary Companies

In Thousands / Years ended November 30	1979	1978	
Consolidated Statement of Earnings	\$630,751	\$606,610	Net sales
	8,572	6,473	Finance charges and other income
	2,497	1,504	Interest income
	1,017	319	Equity in earnings of non-consolidated affiliate
	642,837	614,906	
	388,439	375,693*	Cost of goods sold
	209,048	197,493*	Selling, administrative and occupancy expenses
	5,110	5,765	Interest
	602,597	578,951	
	40,240	35,955	Earnings before taxes
	19,225	17,950	Taxes on earnings
	\$ 21,015	\$ 18,005	Net earnings for the year
	\$ 2.45	\$ 2.09	Net earnings per common share and common share equivalent
	8,577	8,601	Average number of common shares and common share equivalents

*Minor reclassifications made to conform to 1979 presentation

Consolidated Statement of Shareholders' Equity

Par value of					
Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Shares	
\$82	\$21,695	\$23,552	\$146,987	\$(3,524)	Balance at November 30, 1977
			18,005		Net earnings for the year
			(164)		Cash dividends paid:
			(6,732)		Preferred shares, \$2.00 per share
	10	26			Common shares, \$.80 per share
					Stock options exercised (3,800 shares)
				14	Dispositions of 1,051 treasury shares
82	21,705	23,578	158,096	(3,510)	Balance at November 30, 1978
			21,015		Net earnings for the year
			(164)		Cash dividends paid:
			(7,398)		Preferred shares, \$2.00 per share
	177	507			Common shares, \$.88 per share
					Stock options exercised (70,625 shares)
				(1,064)	Acquisitions of 86,604 treasury shares (net of disposition of 996 shares)
\$82	\$21,882	\$24,085	\$171,549	\$(4,574)	Balance at November 30, 1979

(See accompanying notes to consolidated financial statements)



In Thousands / November 30	1979	1978	
Assets			
Current Assets	\$ 5,607	\$ 7,846	Cash and short term investments
	109,084	105,400	Accounts receivable, less allowance of \$5,510,000 and \$5,267,000 for doubtful accounts
	164,445	164,356	Inventories
	1,719	1,778	Prepaid expenses
	280,855	279,380	Total current assets
Investments and Other Assets	11,209	4,075	
Properties	2,778	1,366	Land
	22,343	13,873	Buildings and building equipment
	78,324	75,717	Furniture, fixtures and equipment
	48,932	49,412	Leasehold improvements
	152,377	140,368	
	(93,904)	(85,203)	Accumulated depreciation and amortization
	58,473	55,165	Net properties
Total Assets	\$350,537	\$338,620	
Liabilities and Shareholders' Equity			
Current Liabilities	\$ 1,990	\$ 2,000	Notes payable to banks
	881	4,831	Current maturities of long term debt
	69,905	68,849	Accounts payable and accrued expenses
	4,041	3,806	Taxes on earnings
	6,475	5,460	Deferred taxes on earnings
	83,292	84,946	Total current liabilities
Long Term Debt	54,221	53,723	Long term debt, less current maturities
Shareholders' Equity	82	82	Convertible preferred shares, \$1 par value, authorized 2,500,000, issued and outstanding, Series A, 82,006 in 1979 and 82,016 in 1978
	21,882	21,705	Common shares, \$2 50 par value, authorized 25,000,000, issued 8,752,723 in 1979 and 8,682,080 in 1978
	24,085	23,578	Capital surplus
	171,549	158,096	Retained earnings
	217,598	203,461	
	(4,574)	(3,510)	Common shares in treasury, at cost, 351,267 in 1979 and 264,663 in 1978
	213,024	199,951	Shareholders' equity
Total Liabilities and Shareholders' Equity	\$350,537	\$338,620	

(See accompanying notes to consolidated financial statements)

**Consolidated Statement of Changes
in Financial Position**
Hart Schaffner & Marx and Subsidiary Companies

In Thousands / Years ended November 30	1979	1978	
Working Capital was Provided by:	\$21,015	\$18,005	Net earnings for the year
	9,129	8,792	Depreciation and amortization
	(1,017)	(319)	Equity in earnings of non-consolidated affiliate
	29,127	26,478	Working capital provided by operations
	684	36	Proceeds from exercise of stock options
	1,552		Obligations under capital leases
	31,363	26,514	
Working Capital was Used for:	1,054	8,084	Reduction of long term debt
	7,562	6,896	Payment of dividends
	12,437	6,685	Property additions-net
	6,117	(829)	Increase (decrease) in investments and other assets
	1,064	(14)	Changes in treasury stock-net
	28,234	20,822	
Increase in Working Capital	\$ 3,129	\$ 5,692	
Changes in Components of Working Capital:	\$ (2,239)	\$ (6,613)	Cash and short term investments
	3,684	2,511	Accounts receivable
	89	5,118	Inventories
	(59)	(333)	Prepaid expenses
	10	9,500	Notes payable to banks
	3,950	(3,741)	Current maturities of long term debt
	(1,056)	(153)	Accounts payable and accrued expenses
	(235)	(687)	Taxes on earnings
	(1,015)	90	Deferred taxes on earnings
Increase in Working Capital	\$ 3,129	\$ 5,692	

(See accompanying notes to consolidated financial statements)

Report of Independent Accountants

*To the Shareholders and Board
of Directors of Hart Schaffner & Marx*



In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of earnings, shareholders' equity and changes in financial position present fairly the financial position of Hart Schaffner & Marx and its subsidiaries at November 30, 1979 and 1978, and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances

Chicago, IL
January 15, 1980

Price Waterhouse & Co.

Summary of Accounting Policies

The consolidated financial statements include the accounts of the Company and all subsidiaries. The Company's investment in Robert's S. A. de C. V., a Mexican Corporation, has been accounted for under the equity method since May, 1978, when its ownership interest was reduced from 77% to 49% by public sale of shares in Mexico, and is included in "Investments and Other Assets". Effective September 5, 1979, the Company purchased for cash the net assets and business of Intercontinental Apparel, Inc. (IAI), the U.S. licensee for Pierre Cardin men's suits, sport coats, slacks and raincoats. IAI's sales and net income, which were not material, have been included in the consolidated statement of income since date of acquisition.

Inventories are stated at the lower of cost or market. Cost is determined by the use of the last-in, first-out (LIFO) method for a substantial portion of the manufacturing and retail store inventories. For the remaining inventories, the first-in, first-out (FIFO) method is used for manufacturing and the retail method is used for retail stores.

The excess of current costs over LIFO costs for certain inventories increased during 1979 by \$1.5 million, if current costs had been used, inventories would have been higher by approximately \$8.5 million at November 30, 1979, compared to \$7 million higher at November 30, 1978.

Properties are stated at cost. Additions, major renewals and betterments are capitalized; maintenance and repairs which do not extend asset lives are charged against earnings. Profit or loss on disposition of assets is reflected in earnings and the related asset costs and accumulated depreciation are removed from the respective accounts except for certain assets for which the composite method of computing depreciation is used under which no gain or loss is recognized on disposition.

Accelerated depreciation methods are used for a significant portion of the properties and the straight line method is used for the remainder. Depreciation is computed based on useful lives of 20 to 45 years for buildings, 5 to 20 years for building equipment and 3 to 15 years for furniture,

fixtures and equipment. Amortization of leasehold improvements is based upon the terms of the respective leases.

Intangible assets are included in "Investments and Other Assets" at cost, less amortization which is provided on a straight-line basis over their economic lives, usually 10 years or less.

Deferred taxes on earnings are provided for timing differences between financial and taxable income. Investment tax credits are recognized as a reduction of the current provision for taxes on earnings in the year the related assets are placed in service.

The Company and its subsidiaries maintain pension plans covering substantially all employees other than those covered by union-sponsored plans. Pension expense charged against earnings includes current service costs and, as to plans not fully funded, amortization of prior service costs over periods ranging from ten to thirty years. Pension costs are funded as accrued.

Earnings per share are computed based on the average number of common shares and common share equivalents outstanding. Convertible preferred shares have been included as common share equivalents. When dilutive, stock options are included as share equivalents using the treasury stock method.

Long Term Debt

At November 30, 1979 and 1978, long term debt, less current maturities, comprises the following (000's omitted):

1979	1978	
\$24,476	\$25,348	8½% sinking fund debentures (due 1996)
25,000	25,000	9¼% promissory notes (due 1991)
3,193	3,375	Other debt, extending to 1991 (average interest rate of 5.85%)
52,669	53,723	
1,552		Obligations under capital leases
\$54,221	\$53,723	

Excluded from long term debt at November 30, 1978 was \$4,100,000 of the 8½% debentures purchased early in fiscal 1979. In total, the Company has purchased \$10,524,000 of the 8½% sinking fund debentures, at varying discounts, reducing the principal amount from the original \$35,000,000 to \$24,476,000. Retirements of \$1,750,000 annually commenced February 15, 1978 and \$5,250,000 of the purchases have been applied to the sinking fund requirements through 1980, leaving \$5,274,000 for future use.

The 9¼% promissory notes require annual payments of \$1,400,000 on December 1, 1981, 1982 and 1983 and \$2,600,000 annually each December 1 thereafter. The Company may make optional prepayments without premium in amounts equal to and at the dates of the required payments, not to exceed \$7,500,000 in the aggregate, and may make additional prepayments, subject to certain restrictions prior to November 1, 1985, of all or any portion of the notes at varying premiums.

Under the most restrictive provisions of the Company's borrowing agreements, the Company may incur total funded debt up to approximately the amount of shareholders' equity. At November 30, 1979, senior funded debt was limited to approximately \$190 million. In addition, at November 30, 1979 consolidated working capital was \$198 million compared to \$81 million required to be maintained by the Company. Consolidated retained earnings of \$43,300,000 at November 30, 1979 plus 80% of earnings thereafter are available for the payment of future cash dividends.

Leases

The Company and its subsidiaries operate principally in leased facilities. Almost one-half of the leases contain renewal options ranging from 5 to 25 years. Over 90 percent of all leases provide for payment by the lessors of all or most of the applicable real estate taxes, maintenance and insurance costs, such executory costs are substantial in proportion to minimum rentals. Contingent rental payments are generally based on the sales volume of the rental unit.

During 1979, the Company adopted Financial Accounting Standards Board Statement No. 13, "Accounting for Leases." Accordingly, certain leases previously accounted for as operating leases have now been recorded as capital leases by recording assets and liabilities for leased property. The adoption of FASB Statement No. 13 did not require restatement of the financial statements for any prior year as the effect was not significant.

Leased property under capital leases is included in Properties on the balance sheet and at November 30, 1979 comprises the following (000's omitted)

\$ 138	Land
4,536	Buildings
4,674	
3,003	Less: Accumulated depreciation
\$1 671	

At November 30, 1979, total minimum rentals under operating leases and rentals applicable to capital leases are as follows (000's omitted)

Capital Leases	Operating Leases	Years
\$ 379	\$ 13,008	1980
379	12,620	1981
379	12,099	1982
379	11,424	1983
379	10,446	1984
3,408	65,013	Thereafter
5,303	\$124,610	Total minimum due
(2,517)		Executory costs
(1,115)		Amounts representing interest
1,671		Present value of minimum lease payments
(119)		Current portion of capitalized lease obligations
\$ 1,552		

Minimum future sublease rentals receivable under capital leases and operating leases at November 30, 1979 amounted to \$7 million and \$47 million, respectively

Rental expense on operating leases, including rentals under short term leases, comprises the following (000's omitted)

1979	1978	
\$15,352	\$14,308	Minimum rentals
5,683	5,390	Contingent rentals
(1,015)	(792)	Sublease income
\$20,020	\$18,906	Total rental expense

Operating Segment Information

The Company is engaged in the business of manufacturing and selling apparel. Approximately 20% of the Company's manufactured products are sold to consumers through its own retail stores which also sell goods purchased from others,

and 80% are sold to other retailers for resale to consumers. No one customer accounts for 10% or more of consolidated sales. Information on the Company's manufacturing and retailing operations for the years ended November 30, 1979 and 1978 is summarized as follows (in millions)

	Manufacturing		Retailing		Adjustments		Consolidated	
	1979	1978	1979	1978	1979	1978	1979	1978
Sales to unaffiliated customers	\$237.8	\$231.2	\$393.0	\$375.4	\$	\$	\$630.8	\$606.6
Earnings before taxes	27.7	26.1	22.2	21.2	(9.7)	(11.3)	40.2	36.0
Gross assets at year end	171.2	160.6	185.9	186.4	(6.6)	(8.4)	350.5	338.6
Depreciation and amortization	3.6	3.5	5.5	5.3			9.1	8.8
Property additions—net	4.9	2.5	7.5	4.2			12.4	6.7

Shipments of approximately \$60 million in 1979 and \$55 million in 1978 to the Company's retail stores (at the same prices as similar items sold to unaffiliated retailers) are excluded from manufacturing sales, although profit on these products is included in manufacturing earnings. Adjustments from earnings before taxes are for interest expense (net of interest income), \$2.6 million in 1979 and \$4.3 million in 1978, general corporate expenses and intercompany profit elimination, \$8.1 million in 1979 and \$7.3 million in 1978, and equity in earnings of non-consolidated affiliate, \$1.0 million in 1979 and \$3 million in 1978. Deductions from gross assets are for intercompany profit in inventory and intercompany receivables, less corporate cash, investments and other assets.

Form 10-K

Hart Schaffner & Marx will provide to any shareholder, without charge, a copy of its Annual Report on Form 10-K, as filed with the Securities and Exchange Commission (but without exhibits). Requests should be in writing to: Hart Schaffner & Marx, attention: Mrs. Kay C. Nalbach, Assistant Secretary, 36 South Franklin Street, Chicago, IL 60606.

Transfer Agent and Registrar

The First National Bank of Chicago
Chicago, IL 60670

Hart Schaffner & Marx Corporate Office
36 South Franklin Street
Chicago, IL 60606
(312) 372-6300

**Taxes on Earnings**

The provision for taxes on earnings is summarized as follows ('000's omitted)

1979	1978	
		Current
\$15,715	\$15,300	Federal
2,495	2,130	State and other
—	610	Foreign
18,210	18,040	Total current
		Deferred
875	(80)	Federal
140	(10)	State and other
1,015	(90)	Total deferred
\$19,225	\$17,950	Total taxes on earnings

The items comprising the 1979 and 1978 deferred tax provisions were insignificant.

The effective tax rate was 47.8% in 1979 and 49.9% in 1978. The difference between taxes on earnings reflected in the accompanying statement of earnings and the amount computed by applying the federal statutory tax rate to pre-tax earnings is summarized as follows:

Percent of Pre-tax Earnings

1979	1978	
46.2%	48.0%	Taxes computed at statutory rate
3.5	3.1	State and other taxes on earnings, net of federal tax benefit
(1.6)	(1.4)	Investment tax credit (approximately \$600,000 in 1979 and \$500,000 in 1978)
(.3)	2	Other—net
47.8%	49.9%	

Stock Option Plans

The Company has stock option plans under which officers and key employees may be granted options to purchase the Company's common stock at prices equal to the fair market value at date of grant. Options under all plans are exercisable to the extent of 25% each year (cumulative) from the second through the fifth year, and expire

five to ten years after date of grant. A total of 305,158 common shares were reserved at November 30, 1979 for options granted or to be granted.

A summary of the plans for the year ended November 30, 1979 is as follows:

Number of shares under option	Range of option prices per share	
393,308	\$ 6.38 to \$ 14.13	Under option at beginning of year
250	12.07	Granted
(70,625)	6.38 to 12.38	Exercised
(41,075)	7.82 to 13.63	Expired or terminated
281,858	\$ 6.44 to \$14.13 (average of \$12.12)	Under option at end of year

Options exercisable at end of year	176,795
Available for grant	
Beginning of year	10,638
End of year	23,300

Pension Plans

The Company's principal plan requires contributions by the employees and another pension plan permits voluntary employee contributions. Except for several deferred profit sharing plans of subsidiaries, all employer contributions are based on actuarial determinations.

Total pension costs for the years ended November 30, 1979 and 1978 were approximately \$2,700,000 and \$2,650,000 respectively, excluding contributions to union-sponsored plans. At November 30, 1979, the amount funded exceeded the actuarially computed total of vested benefits and the unfunded past service liability was approximately \$5,700,000, after giving effect to benefit increases scheduled for January 1, 1980. Contributions to union-sponsored plans are made by the Company and certain subsidiaries pursuant to industry-wide collective bargaining agreements.

Convertible Preferred Shares

Series A preferred shares are voting shares, each convertible into 18 common and are cumulative with an annual \$2 dividend rate. The shares are callable at a liquidation price of \$67.50 each (an aggregate of \$5,535,000 at November 30, 1979) and 147,611 common shares are reserved for conversion. During 1979, 10 preferred shares were converted into 18 common shares.

Replacement Cost Information (Unaudited)

In compliance with the regulations of the Securities and Exchange Commission, the Company has estimated the replacement cost of inventories, productive capacity (plant and equipment) and retail facilities as of November 30, 1979 and the approximate effect such replacement costs would have had on cost of goods sold and depreciation expense for the fiscal year then ended. The replacement cost of inventories, productive capacity and retail facilities would be higher than book values. Although an exact calculation of the effect upon operations of complete replacement is not possible, efficiencies from replacing manufacturing plants and equipment plus increased sales from enhanced retail facilities generally offset the higher cost of goods sold and depreciation expense related to such replacements. The Company's annual report to the Securities and Exchange Commission on Form 10-K contains detailed information regarding replacement costs.

Quarterly Financial and Common Share Information

Hart Schaffner & Marx and Subsidiary Companies

Quarters	Net Sales		Gross Profit		Net Earnings		Cash Dividends			
(Not separately audited)	(000's omitted)		(000's omitted)		(000's omitted)		Per Share		Per Share	
	1979	1978	1979	1978	1979	1978	1979	1978	1979	1978
First	\$171,323	\$165,576	\$ 64,496	\$ 62,755	\$ 6,805	\$ 5,860	\$.79	\$.68	\$.22	\$.20
Second	138,571	133,315	55,954	53,284	4,365	3,765	.51	.44	.22	.20
Third	149,812	146,818	54,776	53,121	3,670	3,290	.43	.38	.22	.20
Fourth	171,045	160,901	67,086	61,757	6,175	5,090	.72	.59	.22	.20
Total	\$630,751	\$606,610	\$242,312	\$230,917	\$21,015	\$18,005	\$2.45	\$2.09	\$.88	\$.80

Hart Schaffner & Marx common shares are traded under the symbol HSM on the New York and Midwest Stock Exchanges. The quarterly composite price range for the past two years was

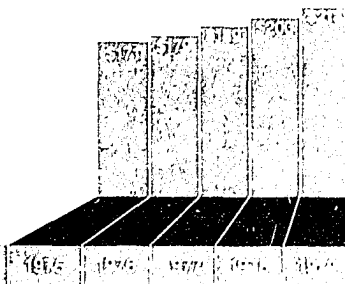
	Fiscal 1979				Fiscal 1978			
	Fourth	Third	Second	First	Fourth	Third	Second	First
High	\$13%	\$13½	\$13¼	\$15%	\$16	\$15	\$14½	\$12
Low	10	11%	11½	10½	10	12	10¾	10¾

Series A cumulative preferred shares, on which quarterly \$.50 cash dividends were paid in 1979 and 1978, while not separately traded, are each convertible into 18 common shares

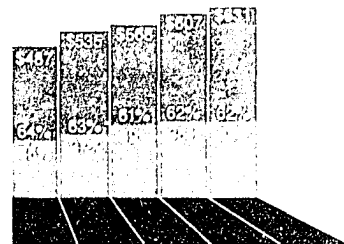
Five Year Consolidated Summary of Operations

In Thousands / Years ended November 30	1979	1978	1977	1976	1975
Net sales	\$630,751	\$606,610	\$567,986	\$534,609	\$486,833
Interest and other income	12,086	8,296	7,115	6,360	5,184
	642,837	614,906	575,101	540,969	492,017
Cost of goods sold	388,439	375,693	354,424	335,435	305,720
Selling, administrative and occupancy expenses	209,048	197,493	184,419	173,209	163,363
Interest expense	5,110	5,765	5,523	4,275	6,614
	602,597	578,951	544,366	512,919	475,697
Earnings before taxes	40,240	35,955	30,735	28,050	16,320
Taxes on earnings	19,225	17,950	15,230	14,200	8,010
Net earnings	\$ 21,015	\$ 18,005	\$ 15,505	\$ 13,850	\$ 8,310
Net earnings per common share and equivalent	\$ 2.45	\$ 2.09	\$ 1.80	\$ 1.61	\$.97
Cash dividends paid on					
Preferred shares	\$ 164	\$ 164	\$ 164	\$ 164	\$ 164
Common shares	\$ 7,398	\$ 6,732	\$ 6,056	\$ 5,298	\$ 5,044
Per share	\$.88	\$.80	\$.72	\$.63	\$.60
Average number of common shares and equivalents	8,577	8,601	8,601	8,588	8,558

Shareholders Equity
in millions of dollars



Retail Stores and Manufacturing Sales
in millions of dollars



● Retail Stores Division Percent of Total Sales
■ Manufacturing Division Percent of Total Sales

Consolidated sales increased \$24.2 million or 4 percent to \$630.8 million in 1979 from \$606.6 million in 1978. Manufacturing sales to independents increased to \$237.8 million from \$231.2 million and retail sales increased to \$393 million from \$375.4 million. All of these sales figures were records in each year. Retail sales were 62 percent of consolidated sales in both years, compared to 61 percent in 1977, when retail sales were \$348 million and manufacturing sales to independents were \$220 million. Manufacturing shipments to Company-owned stores, approximately \$60 million in 1979 and \$55 million in 1978, are excluded from consolidated sales; these products represent about 20 percent of our manufacturing volume and about 30 percent of the goods sold by our stores.

Sales increased in each quarter, although Robert's sales have not been included since its "Mexicanization" in May, 1978. This was partly offset by sales of Intercontinental Apparel, Inc., the U.S. licensee for Pierre Cardin men's clothing, which was acquired September 5, 1979. Higher prices account for some of the sales increases in both years, although inflation in apparel prices has been moderate and largely offset by our emphasis on merchandise selections for the younger customer.

Consolidated earnings increased \$3 million or 17 percent to \$21,015,000 or \$2.45 per share in 1979 from \$18,005,000 or \$2.09 per share in 1978. Consolidated, manufacturing and retailing earnings shown in the "Operating Segment Information" note to the financial statements were at record highs in each year. Although this note shows higher gross assets for retailing, the average amount invested in each segment is approximately the same as payables are higher in retailing and retail inventories are at a peak at November 30, just before Christmas. The Company's 20,000 employees are also equally divided between retailing and manufacturing.

In the Summary of Operations, the 1978 amounts were changed by adding \$1,629,000 to expenses from cost of goods sold to conform to 1979 classifications but prior years have not been restated for this minor reclassification. As a percent of sales, cost of goods sold decreased to 61.6 in 1979 from 61.9 in 1978 and 62.4 in 1977 while expenses increased to 33.1 in 1979 from 32.6 in 1978 and 32.5 in 1977. Production efficiencies and better gross margins resulted in the improvement in cost of goods sold. The expense increase of 5.8 percent in 1979 reflects increased sales, inflationary pressures and a slightly larger proportion of retail expenses which are higher in relation to sales than manufacturing expenses. In addition, some expense increase is related to efforts which increased licensing, royalties and other income.

Interest and other income increased to \$12.1 million in 1979 from \$8.3 million in 1978 and \$7.1 million in 1977. The equity in earnings of Robert's, the non-consolidated affiliate, was \$1,017,000 in 1979 and \$319,000 in 1978 which does not show approximately \$700,000 net earnings included in the operating figures for 1978. Robert's increased earnings offset our reduction in ownership from 77 percent to 49 percent in May, 1978, so that the Company's share of its earnings was approximately \$1 million each year. Finance charges and other income increased to \$8.6 million in 1979 from \$6.5 million in 1978 and \$6.2 million in 1977. The majority of this income is finance charges on receivables but gains or losses on disposition of assets, debentures and other investments are also included. Approximately one-half of the \$2.1 million increase for 1979 was from royalties and licensing of the Company's trademarks and technology. This includes our work with Hughes Aircraft Company on the development of systems for the apparel industry.

Income from these cooperative efforts was recorded in the fourth quarter of 1979 and future royalties are expected from an agreement covering production control devices and related systems under our pending U.S. and foreign patents.

Interest income increased to \$2.5 million in 1979 from \$1.5 million in 1978 and \$9 million in 1977. More cash was available to invest at higher yields, as inventory levels have not increased and shareholders equity continues to grow. Interest expense decreased \$655,000 in 1979 because long term debt was lower and bank borrowings were not significant. The long term debt of \$54.2 million at November 30, 1979 is only 20 percent of the Company's capitalization of \$267.2 million (equity and debt). Current assets increased to 3.4 times current liabilities at November 30, 1979 from 3.3 a year ago.

Earnings before taxes increased to 6.4 percent of sales in 1979 from 5.9 percent in 1978 and 5.4 percent in 1977. Taxes were 47.8 percent of pre-tax earnings in 1979 compared to 49.9 percent in 1978 and 49.6 percent in 1977. The tax percentage was reduced by the lower statutory federal income tax rate and higher investment credits in 1979, partially offset by higher state income taxes. In addition, earnings from Robert's are recorded net of tax under the equity method instead of its taxes being included in the consolidated tax figure. The investment credit was larger because fixed asset investments were higher, which also caused depreciation and amortization expense to increase to \$9.1 million in 1979 from \$8.8 million in 1978 and \$8.3 million in 1977.

Retail Stores Division

Management

Richard P Hamilton, *Chairman*

Henry C (Chick) Schwartz

Executive Vice President

Charles A. DeChants, Senior Vice President

Gerard K Donnelly, Senior Vice President

Frank A. Brenner, Vice President

Earl E. Carpenter, Vice President

Gene Coccodrilli, Vice President

Donald O Martin, *Vice President*

Donald R. Putnam, Vice President

Peter C Schmidt, Vice President

Stan Smolen, Vice President

Harry B. Spilg, *Vice President*

Donald Wilson, Vice President

274 company owned and operated retail stores in 66 metropolitan areas.

Men's Market Merchandising Corporation

Matthew F Shannon, *President*

Allan Baumel, Vice President

Howard B. Collins, Jr., *Vice President*

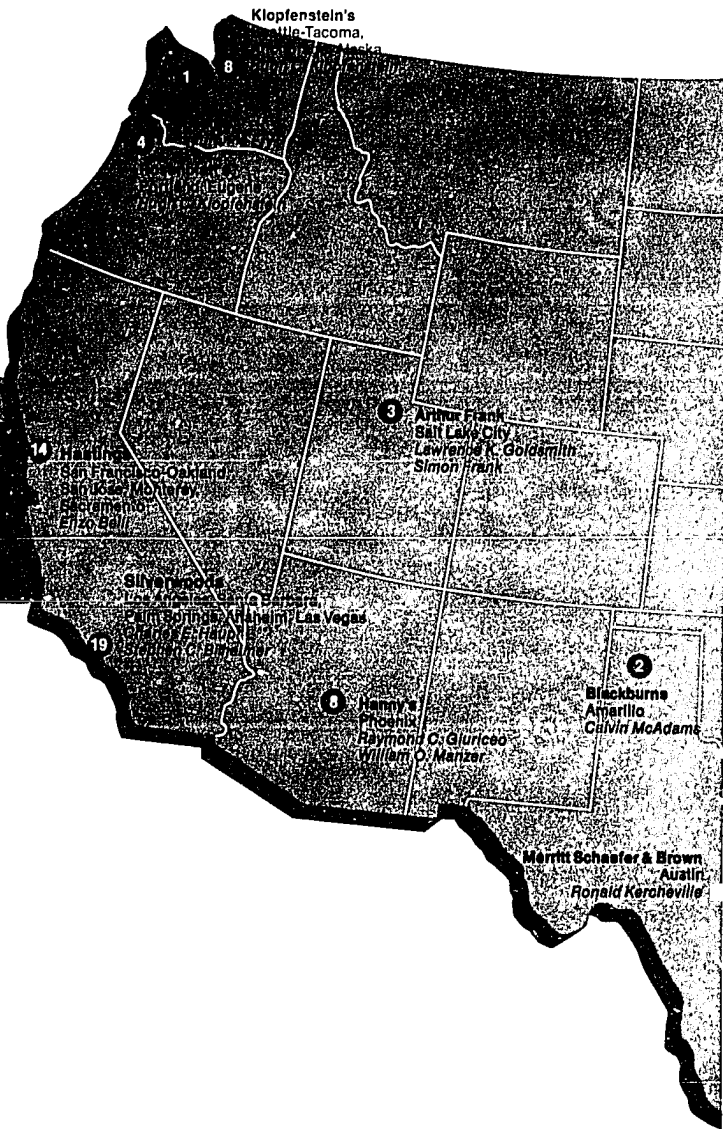
Eugene L. Mellott, *Vice President*

G Richards Quinn, Vice President

Women's Market Merchandising Corporation

Betty E Green, *President*

Collette Touey, *Vice President*



Number and Type of Stores

The number in each store dot represents the units each group operates. The color coding illustrates the type of store (ie Men's/Women's)

Symbol	Store Types	Number
●	Men's Apparel	104
●	Women's Apparel	29
●	Men's and Women's Apparel	141
Total U.S.		274



**The Manufacturing Divisions,
their Brands and Management**

New York City Sales Offices
1290 Avenue of the Americas
New York, NY 10019

Hart Schaffner & Marx Clothes

Suits, sport coats, slacks and outercoats

Hart Schaffner & Marx
Christian Dior
Austin Reed of Regent Street
Jack Nicklaus
Graham & Gunn, Ltd.
Society Brand, Ltd.
Sterling & Hunt
Fashionaire
Gleneagles

36 South Franklin Street
Chicago, IL 60606

William H. Mier, *Chairman*
E. O. Hand, *President*
Alfred Katz, *Senior Vice President*
Michael Kent, *Senior Vice President*
Donald D. Shorr, *Senior Vice President*
Louis Antonacci, *Vice President*
Albert F. Bergschneider, *Vice President and Controller*
Gordon S. Cohen, *Vice President*
Hugh Gallarneau, *Vice President*
Max A. Hart, *Vice President*
Naresh Jain, *Vice President*
William W. Rowlette, *Vice President*

Society Brand, Ltd.
Howard Zenner, *Executive Vice President*

Austin Reed of Regent Street
Barry A. Reed, *Chairman and President*
Robert E. Bruno, *Executive Vice President*

Graham & Gunn, Ltd.
Lester L. Hale, *Brand Manager*

Gleneagles
Rainwear, outerwear and sportswear
David L. Kelly, *Executive Vice President and General Manager*
Alfred S. Oppenheimer, *Senior Vice President*
Denis J. Del Sarto, *Vice President*
Gerald J. Kaplan, *Vice President*
R. Roy Ricks, *Vice President*
Carl A. Sand, *Vice President and Controller*
Maurice Schenkkan, *Vice President*

808 Gleneagles Court, Baltimore, MD 21204

Fashionaire
Men's and women's career apparel
Homi Patel, *Vice President and General Manager*
Raymond H. Hagen, *Vice President*
John Prystalski, *Vice President*

Thorngate Uniforms, Inc.
SACO Uniforms
Military academy, school and airline uniforms
Nicholas C. Assalone, *President*

2 DeKalb Street, Norristown, PA 19401

Hickey-Freeman Co., Inc.

Suits, sport coats, slacks, outercoats and formalwear

Hickey-Freeman
Walter-Morton
Chester Barrie

1155 Clinton Avenue North, Rochester, NY 14621

Walter B. D. Hickey, Sr. *Chairman*
Walter B. D. Hickey, Jr. *President*
Morris M. Medved, *Executive Vice President*
G. Sheldon Brayer, *Vice President*
Howard A. Breiterman, *Vice President*
Richard B. Lyons, *Vice President*
Aime G. Messe, *Vice President & Secretary*
Norman L. Wilcox, *Vice President*
Donald B. Parsch, *Treasurer*

Chester Barrie
Walter Grech, *Executive Vice President*

M. Wile & Company, Inc.

Suits and sport coats

Johnny Carson
Nino Cerruti
Allyn St. George
Ridlingate

2020 Elmwood Avenue, Buffalo, NY 14207

Arthur Gunzberg, *Chairman*
Lawrence Gunzberg, *President and Treasurer*
Kenneth Hoffman, *Executive Vice President*
Guy Gunzberg, *Senior Vice President*
Bert Amador, *Vice President*
Joseph M. Diskin, *Vice President*
Peter J. Ehlinger, *Vice President*
George Odvarka, *Vice President*

Fred Pepperday, *Vice President*
Joseph Starzec, *Vice President*
Victor Jachimowicz, *Secretary and Controller*

Johnny Carson Apparel, Inc.
Arthur Gunzberg, *Chairman*
Johnny Carson, *President*
Kenneth Hoffman, *Vice President*

Jaymar-Ruby, Inc.

Slacks, sport coats, suits and coordinated sportswear

Jaymar
Sansabelt
Ruby Ltd.
Cary Middlecoff
Nino Cerruti Sport
Cesarani

5000 South Ohio Street, Michigan City, IN 46360

J. M. Ruby, *Chairman*
Burton B. Ruby, *President*
William J. Conroy, *Executive Vice President*
Edwin H. Levitin, *Executive Vice President*
William E. Staples, *Senior Vice President*
Hartley Job, *Senior Vice President*
Harold Leinwand, *Senior Vice President and Treasurer*
James J. Moore, *Senior Vice President*
Roger L. Webb, *Senior Vice President*

Nathan S. Balser, *Vice President*
Stan A. Bandurski, *Vice President*
Martin J. Hochberg, *Vice President*
Al E. Kahan, *Vice President*
Robert L. Plummer, *Vice President*
James R. Shibko, *Vice President*

Whiteville Apparel Corporation

Suits and sport coats

Playboy

1 Wilmington Road, Whiteville, NC 28472

Harvey Isaacs, *Vice President*
Frank M. Norton, *Vice President*

Intercontinental Apparel, Inc.

Suits, sport coats and slacks

Pierre Cardin

888 7th Ave. New York, NY 10019

John H. Kornblith, *President*
Steven J. Weiner, *Executive Vice President*
Giles A. Toner, *Senior Vice President*

Marco J. Polito, *Vice President*
Bruce Dicker, *Vice President*

Retail Price Ranges of Suits by Brand

[illegible]

Board of Directors

John D. Gray ●
Chairman, Hart Schaffner & Marx

Jerome S. Gore ●
President and Chief Executive Officer,
Hart Schaffner & Marx

A. Robert Abboud ●●●●
Chairman, First Chicago Corporation
and of The First National Bank of Chicago

Lee S Bickmore ●●
Chairman, Executive Committee, Nabisco Inc

Charles L. Brown ●●●
Chairman and Chief Executive Officer,
American Telephone and Telegraph Company

James F Chambers, Jr. ●●
Chairman of the Board and
Chief Executive Officer,
The Times Herald Printing Company (Dallas)

Paul A. Conley ●●●
Financial Consultant, retired Chairman,
Blyth Eastman Dillon & Co. Incorporated

James E. Devitt ●●●
Chairman and Chief Executive Officer,
The Mutual Life Insurance Company of New York

Arthur Gunzberg
Chairman, M. Wile & Company, Inc.

Richard P. Hamilton
Executive Vice President
Hart Schaffner & Marx

Donald P Jacobs
Dean, Northwestern University's
J L Kellogg Graduate School of Management

John R. Melnert
Executive Vice President,
Hart Schaffner & Marx

Burton B. Ruby
President, Jaymar-Ruby, Inc.

Elmer Schlesinger ●●
Investor

Honorary Directors

Walter M. Heymann
Retired (former Vice Chairman,
The First National Bank of Chicago)

Walter B.D. Hickey, Sr
Chairman, Hickey-Freeman Co Inc

J. M. Ruby
Chairman, Jaymar-Ruby, Inc.

Clay E. Steele
Retired (former Senior Vice President,
Hart Schaffner & Marx)

Other Corporate Officers

Jerome Dorf
Vice President and Controller

Ralph Kaufmann
Vice President

Mark J. Lies
Vice President and Treasurer

William J. McNally, Jr.
Vice President

Charles L. Stewart
Vice President, Secretary and
General Counsel

Raymond L. Valentine, Jr.
Vice President

Edward R. Weed
Vice President

Andrew A Zahr
Assistant Controller

Kay C Nalbach
Assistant Secretary

Harrison Hanson
Director of Computer Systems

Director Committees

- Executive
- Audit

- Compensation and Stock Option
- Director Nominating Management Operations

